

S-E-C-R-E-T
Security Information

6 June 1952

ALLOCATION OF RESPONSIBILITY WITHIN ORR FOR CONTRIBUTIONS TO NIE-65,
SOVIET WAR POTENTIAL, 1952-1957

The Board of National Estimates, in consultation with AD/RR, has agreed on terms of reference for NIE-65. Section II of the terms constitutes the framework around which the ORR contribution will be built. For the benefit of ORR analysts Section II has been reproduced and attached at the end of this report as Appendix A.

While responsibility for compiling the ORR contribution has been vested in A/EC, basic data must be supplied by other ORR components. The research work on Section II will be divided into three steps: (1) time series of physical output levels from 1927/28 onward will be secured from commodity and service analysts; (2) the output estimates will be combined into broader industrial indices by A/EC; (3) in conjunction with commodity and service analysts A/EC will prepare extrapolations of the broad sector production time series.

In order that there be no further confusion regarding the work which is expected from the various branches, a precise allocation of the workload is necessary. The table which follows serves this purpose by designating the various points in the terms of reference to which D/I, D/M, and D/S branches will contribute data and analyses. All points in Section II not covered in this table will be handled by A/EC (in many cases only after consultation with other branches).

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Point in Terms of Reference

Contributing Branches

II. A. Indicators of economic strength and their past and probable future trends.	All D/M branches; I/CG, I/SH, I/PE, and I/EE; S/EP, S/COM, S/COM, S/CG, and S/TR.
1. Production of key materials and services, products (including agricultural), and weapons.	
3. Changes in population.	S/L
C. Dependence of the Bloc on outside areas for economic development.	S/TF
1. Pattern of trade as it affects the Bloc economy.	
D. Contribution to Bloc strength made by the economies of the European Satellites and Communist China, in the past as well as in the future.	S/TF
1. Pattern of intra-Bloc trade.	S/TF
2. Contributions in production of key items.	All D/M branches; I/CG, I/SH, I/PE, and I/EE; S/EP, S/COM, S/COM, S/CG, and S/TR.

In addition to ORR's responsibility for Section II of the terms of reference, we have a major responsibility to support and check the military agencies' contributions at two places outside Section II. These two points are quoted from the terms of reference:

"V. A. 2. Sizes and quality of holdings of military equipment by Soviet Bloc military forces, estimated size, quality, and disposition of military stockpiles, military consumption rates of Bloc forces under cold and hot war conditions."

"V. B. 1. Capacity of Bloc forces to initiate and maintain (i.e., capacities of lines of communication, supplies of manpower and materiel, etc.) various kinds of military campaigns, including those involving overseas and amphibious operations; present conflicts in Korea and Indo-China, extension of war in Far East, limited attacks in Middle East, general war without use of mass destruction weapons, general war with use of mass destruction weapons."

So that ORR can fulfill its responsibility with respect to these two points, it is necessary that a matrix-type study, similar to that in ORR #110-51, be constructed to synthesize estimated economic activity in the USSR during 1957. For several reasons it will not be feasible to have a new study which

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would be independent of the work already done on #110-51. In the first place, there is not time to do a thorough job. Moreover, the military intelligence agencies are not being asked to prepare input requirements studies in their contribution to NIE-65. There are also technical problems involved in computing inputs for future years. These problems, which can never be completely reckoned with, tend to weaken the validity of such a study.

We have, therefore, altered the mode of handling the matrix study from that used in #110-51. A/EC will assume primary responsibility for all aspects of the matrix study. Contributions from other ORR branches will not be required. However, voluntary contributions will be welcomed and incorporated in the analysis. Branches are asked to work on inputs only if it is feasible to improve the material submitted for #110-51. New contributions will be used, along with data now embodied in #110-51, to make a table covering 1957 input-output relationships. This table will serve primarily as a check on estimates which the military intelligence agencies will make in answer to the two points in the terms of reference quoted above. The table will also be used as a consistency check for the several extrapolations of output by determining whether or not the economy is capable of supporting the anticipated production levels.

Procedures to be followed by the divisions and branches in preparing their contributions are explained in Appendix B. Appendix C describes technical problems and processes which are of concern primarily to A/EC in index number construction. Forms to assist branches in compiling their statistics will be disseminated at a later date.